

PROPERTY OF BLAIR & CO.,
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NATIONAL BISCUIT COMPANY

ANNUAL REPORT

JANUARY 31, 1907.

To the Stockholders of

NATIONAL BISCUIT COMPANY

The following is the balance sheet of the Company at the close of business January 31, 1907.

ASSETS.

| | | |
|---|---------------------|-----------------|
| Plants, Real Estate, Machinery, Patents, etc. | \$52,970,866.93 | |
| Less Depreciation Account | <u>300,000.00</u> | \$52,670,866.93 |
| Cash | \$3,377,909.33 | |
| Stocks and Securities | 801,854.37 | |
| Accounts Receivable | 3,190,527.50 | |
| Raw Material, Supplies and Finished Product | <u>4,004,803.83</u> | \$11,375,095.03 |
| | | \$64,045,961.96 |

LIABILITIES.

| | | |
|---|----------------------|-----------------|
| Capital Stock, Preferred | \$24,804,500.00 | |
| Capital Stock, Common | <u>29,236,000.00</u> | \$54,040,500.00 |
| Bonds Payable and Mortgages Payable | | |
| Assumed at Formation of Company | \$ 1,814,000.00 | |
| Less Amount Paid | <u>838,297.27</u> | \$ 975,702.73 |
| Accounts Payable, Including Accrued Interest | | 423,289.20 |
| Balance January 31, 1906 | \$ 7,850,078.12 | |
| Earnings, 12 months to January 31, 1907, inc. | <u>3,954,506.91</u> | |
| | \$11,804,585.03 | |
| Less Dividends Paid 12 months to | | |
| Jan. 31, 1907, inc. | <u>3,198,115.00</u> | \$ 8,606,470.03 |
| | | \$64,045,961.96 |
| Sales, 12 months to January 31, 1907, inc. | | \$40,722,939.17 |
| Profits, 12 months to January 31, 1907, inc. | | 3,954,506.91 |
| Per Cent. of Profit to Sales | | 9.71 |

2/26/07 - 8

The sales and profits of the Company year by year, since its organization, have been as follows:

| | Sales | Profits |
|------|-----------------|----------------|
| 1898 | \$34,051,279.84 | \$3,292,143.10 |
| 1899 | 35,651,898.84 | 3,302,155.00 |
| 1900 | 36,439,160.00 | 3,318,355.19 |
| 1901 | 38,625,134.78 | 3,670,445.05 |
| 1902 | 40,221,925.08 | 3,689,338.09 |
| 1903 | 40,532,114.59 | 3,709,515.62 |
| 1904 | 41,040,495.80 | 3,731,927.80 |
| 1905 | 39,702,566.44 | 3,822,338.02 |
| 1906 | 40,722,939.17 | 3,954,506.91 |

The balance sheet of the Company herewith presented shows its financial condition on the completion of the ninth year of its existence. Of the bonds and mortgages assumed at the formation of the Company, amounting to \$1,814,000.00, there has been paid off the sum of \$838,297.27, leaving a balance-unpaid of \$975,702.73, none of which has yet matured. The accounts payable are simply the current bills for raw material and supplies, which were not adjusted before the close of the year.

Up to January 31, 1907, the Company has declared and paid thirty-five

consecutive quarterly dividends of one and three-quarters per cent. each on its preferred stock.

The first dividend of one per cent. on its common stock was declared August 15, 1899; including the dividend then declared, the Company has declared and paid thirty consecutive quarterly dividends of one per cent. each on its common stock; and on April 15, 1906, paid an extra dividend of one per cent. on its common stock, making in all thirty-one dividends of one per cent. each paid on its common stock.

The total number of stockholders of the Company immediately after its organization was about thirteen hundred. The total number now is about seven thousand. Of this number two thousand three hundred and forty-one are employees of the Company. Under the plan enabling employees to purchase our preferred stock, paying for it in installments, they have purchased seven thousand six hundred and sixty-two shares. This is exclusive of a large amount of stock, both common and preferred, held by our directors, officers and principal managers.

The year just closed has been the most prosperous and satisfactory year since the organization of the Company.

The sales have shown an increase of over one million dollars, and the increase has been on our Trade Mark package goods, thus increasing the value of the good will of the Company. The profits of the Company

have increased, notwithstanding the fact that our prices have remained substantially the same as the preceding year, while the prices of almost all articles of raw material have considerably increased.

In our last annual report we referred to the fact that we expected during the current year to make additions to our New York Plant. We are now building two additional buildings, one at the corner of Fifteenth Street and Ninth Avenue, having a frontage of one hundred and eight feet on Ninth Avenue and one hundred and fifty feet on Fifteenth Street. This building is eight stories and basement, of the most improved fire-proof construction, and immediately adjoins our Nabisco Works. The other building in course of construction is on Sixteenth Street, adjoining one wing of the Tenth Avenue Factory. This building is two hundred and ten feet by ninety-two feet, eight stories and basement, of the most improved fireproof construction, equipped with all of our patented machinery, and to be used exclusively for the manufacture of some of our leading package goods. When these buildings are completed, our New York Plant will have a frontage of one hundred and eight feet on Ninth Avenue, the entire frontage on Fifteenth Street, between Ninth and Tenth Avenues, which is eight hundred feet, the entire frontage on Tenth Avenue, between Fifteenth and Sixteenth Streets, which is two

hundred and six feet, and a frontage on Sixteenth Street of five hundred and twenty-five feet.

We expect to have these buildings completed and in operation ready for the summer business, and we are happy to state that we expect to have plenty of business ready for their operation.

To give an idea of the capacity of this plant, it will be of interest to the stockholders to learn that when it is in full operation, it will consume every day eight car loads of flour, of two hundred and fifty barrels each.

We have heretofore referred to the fact that our great success with the In-er-seal Trade Mark package goods, has brought forth a horde of imitators, who have sought to obtain the advantages of the good will we have established by imitating our packages. Unable to sell their package goods in a dress distinctively their own, they have sought to impose upon the consumer by imitating ours.

The Company has concluded with unbroken success twelve suits in the United States Courts, involving, practically, all its trade marks and trade rights. In addition to these suits, three hundred and thirty imitations by various manufacturers have been stopped, the imitators abandoning whatever they were doing without suit. Of these abandonments without suit, eighty manufacturers of biscuit had invaded the equitable rights secured to us in the Courts, by the use of our In-er-seal Trade Mark ;

thirty-five manufacturers had imitated the Uneeda Biscuit package, while there were still other imitators of our trade names—Nabisco, Social Tea, Zu Zu and Oysterettes, one manufacturer alone having to his credit, or discredit, sixteen imitations.

During the year the different Departments of the Company have gone on improving in efficiency, and the harmonious relations between these Departments bring greater strength to the whole Company. The cheerfulness and enthusiasm which pervade all our ranks, are a source of great pleasure to our officers.

Respectfully submitted,

A. W. GREEN,

President.

DIRECTORS

| | |
|------------------|------------------|
| B. F. Crawford | S. S. Marvin |
| L. D. Dozier | W. H. Moore |
| H. J. Evans | T. S. Ollive |
| A. W. Green | F. M. Peters |
| H. M. Hanna | N. B. Ream |
| F. L. Hine | J. D. Richardson |
| F. A. Kennedy | S. A. Sears |
| J. B. Vredenburg | |

OFFICERS

| | |
|-------------------|-------------------------|
| A. W. Green | President |
| J. D. Richardson | First Vice-President |
| F. M. Peters | Second Vice-President |
| F. E. Bugbee | Secretary and Treasurer |
| J. U. Higinbotham | Assistant Treasurer |

EXECUTIVE COMMITTEE

| | |
|-------------|------------------|
| N. B. Ream | J. D. Richardson |
| F. L. Hine | F. M. Peters |
| W. H. Moore | A. W. Green |